

THE FOLLOWING DOCUMENTS
ARE ATTACHED:
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ER 1726X 88

ER 1726/1#2 88

DDI 01991X 88

SUBJECT:

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Unclassified Version of the Economic Sanctions Study

FROM:

Director of Global Issues

EXTENSION

NO.

DDI 0199/X 88

DATE

1 June 1988

TO: (Officer designation, room number, and building)

DATE

RECEIVED

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OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

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2 June '88

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Bob - some time ago you asked about declassifying the Econ. Sanctions study. Attached are some comments from Bob. I am not enthusiastic about unclassified studies as you know. But this will give you some options.

Regrettably, I agree with you. It's still a damn good study, though. You may want to consider revising it early next year, with a Panama section.

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P-305-jk

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ROUTING AND RECORD SHEET

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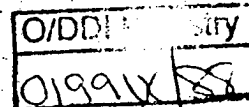
Unclassified Version of the Economic Sanctions Study

FROM: STAT STAT Director of Global Issues		EXTENSION		NO. DOI 01991X 88
				DATE 1 June 1988
TO: (Officer designation, room number, and building)		DATE		COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
		RECEIVED	FORWARDED	
1. DDI		2 June 88	R	Bob - Some time ago you asked about declassifying the Econ. Sanctions study. Attached are some comments from OAS. I am not enthusiastic about unclassified studies as you know. But this will give you some options.
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1 JUN 1988

MEMORANDUM FOR: Deputy Director for Intelligence

STAT

FROM:

Director of Global Issues

SUBJECT: Unclassified Version of the Economic
Sanctions Study

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Dick

1. On 19 May you sent me a note asking my views about releasing the May 1986 study Economic Sanctions: An Historical Analysis. Your note was sparked by a memo from Bob Gates in which he asked if the study could be reviewed to see if it could be sanitized and published unclassified. In the DDCI's memo he suggested that if we decide to put the piece out, "the end of this Administration would offer an opportunity to publish the piece at a time when it would presumably cause us the least controversy and trouble at the Executive Branch."

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2. I've taken a careful and personal line-by-line read through the paper and have a number of reactions that I wanted to pass along to you.

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3. The report itself is divided into two major sections. The first is an overview which only runs three pages. Aside from problems with the reference to Cuba, the text is clean (for simplicity I have highlighted in yellow the material which at a first read appears inappropriate to me for release). The second portion of the paper deals with individual country studies, and in large measure, that's where the problems begin to occur. Specifically:

- o One study deals with an ongoing case--the US embargo against Cuba which started in 1962 and continues to the present (here the problem with Cuba in the Overview section). This is one area where release could become a political issue.
- o Another study deals with the US sanctions against Pakistan in '77-80. Given what's going on in our relations with Pakistan, Afghanistan, and the like, I think it's rather questionable whether we want to release the case study at this point in time. The fact that much of the discussion focuses on the Pakistani nuclear program only underscores this concern.

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- o Two of the studies deal with US sanctions against the Soviet Union--over Afghanistan and Poland. These case studies could hit some sensitivities given the current state of US-USSR relations.
 - o A number of other studies also deal with US actions and intentions. We talk about US sanctions against the Dominican Republic, Uganda, and Iran.
 - o In two different places, our Persian Gulf "allies" pop into the picture--one is the ongoing embargo against Israel and the other was the oil embargo against the United States.
 - o Our "allies" also, of course, get dragged in with the UK actions against Rhodesia and more recently Argentina, French moves against Algeria, and Chinese-USSR developments. (In the latter case, I'm really ill-equipped to determine what if any material is confidential.) (C NF)
4. In addition to some difficulties I have with the nature of the case studies, there's some more generic problems that tend to run throughout the pieces.
- o There's a fair amount of discussion about our interpretation of US policy intentions. At times we reference Congressional sources, and provide our own interpretation of the real motives behind US policy moves.
 - o When we deal with our allies, we almost certainly run the risk of making someone mad. The reasons sanctions fail is because people cheat, or are unwilling to really do what is required. This therefore results in numerous discussions that say that our allies rushed in to fill the commercial gap left by the United States and the like.
 - o There are a number of cases where critical portions of reports end up being eliminated simply because of sourcing. The tail end of the Uganda case study is an excellent case in point. (C NF)
5. Where does that leave us? My recommendation would be that if we're going to put the report out, we package a modified version of the paper we presently have. As I see it there are two major options in this regard:
- o First, repackage the historical analysis at the very front end of the report (pages 1-3), with the yellow highlighted sections deleted.

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- o Second, in addition to the repackaged front end add a couple of the case studies as illustrative of the analysis we have done.

As far as the latter option is concerned, it seems to me, that Italy, China (pending SOVA/OEA approval), the Dominican Republic, Rhodesia, and Algeria, could form the core of any document that is released. Zeroing in on these countries basically results in a set of representative case studies which also have the advantage of being a bit dated and less controversial. Even so, I suspect that releasing selected studies would quickly lead to requests for segments on the more current and hence more interesting case studies.

But - These are not the case studies I am talking about. Policy in Cuba - USSR -

6. I suspect some of my comments may seem overly cautious. I would like to stress, however, that I read the report with an eye towards providing the maximum amount of material possible. The simple fact, however, is that any time you talk about sanctions and why they don't work someone is going to be embarrassed--be it people on The Hill, former administration leaders, or foreign officials. On the bright side, we have found out that the disks used in preparing the report still exist. This, in effect, means that if a decision is made to release the report, or a modified version thereof, we will be able in pretty short order to put out a final document.

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7. As a final note, I would suggest that if a decision is made to put out an unclassified report that OGI take the lead to run the country studies back through individual desks. Given the amount of material covered in the present study, it didn't seem to make sense to do this until we had zeroed in on the route we were going to be taking.

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Attachment:
GI 86-10034

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Directorate of
Intelligence

Secret

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Economic Sanctions: A Historical Analysis (U)

A Research Paper

Secret

GI 86-10034
May 1986

Copy 486

ER 1726/2 88

17 May 1988

NOTE TO: Deputy Director for Intelligence

FROM: Deputy Director of Central Intelligence

25X1 1. In a session with the editorial board of the Wall Street Journal a few weeks ago, I made reference to our analysis of the historical results of economic embargoes and sanctions. I have subsequently received a request that that study be made publicly available. []

25X1 2. I would like to have the study OGI did several years ago reviewed to see if it could be sanitized and published unclassified. Every Administration seems to want to resort to sanctions or embargoes at some point without fully understanding the prospects for success, the historical record and the relationship between objectives and achievement. The end of this Administration would offer an opportunity to publish the study at a time when it would presumably cause us the least controversy and trouble with the Executive Branch. Indeed, we could even consider deleting one or two of the most recent examples to avoid stepping on toes. []

25X1 3. I would appreciate your getting this underway. If you have a problem, obviously get back to me. []

25X1 []

Robert M. Gates

cc: D/PAO
C/ISD/OIT

25X1 DDCI/RMGates/de []
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P-305-11

The Deputy Director of Central Intelligence

Washington, D.C. 20505

May 17, 1988

Mr. Daniel Henninger
Chief Editorial Writer
The Wall Street Journal
200 Liberty Street
New York, N.Y. 10281

Dear Mr. Henninger:

Many thanks for your note of 29 April. I too enjoyed the session at the Journal and look forward to staying in touch.

I am using the occasion of your letter to ask for a review of our study on economic sanctions to see whether it can be declassified. I share your view that having this study publicly available would be worthwhile. You may rest assured that if we decide to declassify the study, I will send you one of the first copies.


Again, I enjoyed the opportunity to meet with you and your colleagues.

Regards,

Robert M. Gates

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DOW JONES & COMPANY, INC.

Publishers

200 LIBERTY STREET - NEW YORK, N.Y. 10038

DANIEL HENNINGER
CHIEF EDITORIAL WRITER

April 29, 1988

Robert Gates
Deputy Director
Central Intelligence Agency
Washington, DC 20505

Dear Mr. Gates:

I enjoyed talking with you the other day here at the Journal. You mentioned a study you did awhile ago on the effectiveness of economic sanctions. Insofar as I can probably expect economic sanctions in some form to resurface periodically over the next 20 or so years, the study sounds like something very useful to have on hand. If you can spare a copy, I'd love to see it.

Regards,

Dan Henninger

DH:gb

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Remarks

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Executive Secretary

4 May '88

Date

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P-305-jr

